VIVA ONLINE SERVICES SA

ANNUAL FINANCIAL REPORT

for the year from
1st January 2018 to 31st December 2018

in accordance with
International Financial Reporting Standards
(I.F.R.S.)

Table of contents

MAZARS

Independent Auditor's Report

To the Shareholders of **VIVA ONLINE SERVICES SA**

Opinion

We have audited the financial statements of **VIVA ONLINE SERVICES SA** (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Directors' Report, pursuant to paragraph 5 of Article 2 (Part B) of Law. 4336/2015, we note that:

A) In our opinion, the Directors' Report has been prepared in accordance with the legal requirements of Article 43a and 107A of Codified Law 2190/1920 and its content corresponds with the financial statements for the year ended 31/12/2018.

B) Based on the knowledge we obtained during our audit of **«VIVA ONLINE SERVICES SA»** and its environment, we have not identified any material inconsistencies in the Report of the General Council.

Palaio Faliro, 08/03/2019

The Certified Public Accountant

Konstantinos Makris
ELTE Reg. No: 1483

MAZARS Certified Public Accountants and Business Advisors S.A.
14 Amfitheas Avenue, Athens,
175 64, Greece
ELTE Reg. No: 17

Annual Report

of the Board of Directors

presented to the

Annual General Meeting of Shareholders

VIVA ONLINE SERVICES S.A.

on the Financial Statements

for the year ended 31st December 2018

Annual Financial Report of the Board of Directors

Dear Shareholders,

We wish to present you the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as the current Report of the Board of Directors for the financial year from January 1st 2018 to December 31st 2018.

This report summarizes the financial information of "VIVA ONLINE SERVICES S.A." for the financial year 2018, important events that took place during this time period and their effect on the annual financial statements, the objectives and the prospects for the next financial year and, finally, the main risks and uncertainties that the Company may face.

The current fiscal year is the 13th fiscal year in which «VIVA ONLINE SERVICES S.A.» operates.
Financial statements for the current fiscal year are prepared in accordance with the International Financial Reporting Standards (IFRS) and are based on the accounting principles and methods adopted by the Company's Board of Directors.

I.PERFORMANCE AND FINANCIAL POSITION

In 2018, the Company continued to be one of the major providers of POS card terminals acceptance in Greece. Additionally, the Company continued to develop new POS solutions and to grow an expansive product offering to solve wide ranging merchant needs.

Within ticketing, the Company continues its rapid expansion for the third consecutive year as a leading ticketing services provider across all major domestic Entertainment, Sports, and Cultural events.

In the remaining sectors (travel & transportation, phone, other marketable items), Company revenue figures remained in-line with those of the previous year.

Key figures for the 2018 financial year include:

- **Revenue** decreased by 10,2% (from € 7.011 th. in 2017 to € 6.297 th. in 2018) from the prior year mainly due to a decrease in POS Sales. This is mainly attributable to the fact that the previous year's sales were buoyed by a change of legislation requiring certain merchant sectors to obtain POS terminals.

- **Total Expenses** decreased by 9,0% (from € 7.602 th. in 2017 to € 6.884 th. in 2018) from the prior year, reflecting a proportionally low POS Cost of Sales due to the aforementioned legislative cause.

- Internally, the Company adopted IFRS 9 (see Note 2.6), which negatively affected both its current year results as well as its retained earnings. Specifically, current year expenses increased by € 157 th. while Company retained earnings fell by € 225 th. (see Note 5.6).

The above has resulted in:

- **EBITDA** for the Company of € 216 th. profit in 2018 compared to € 172 th. profit in 2017.
- **Operating Results** for the Company of € (587) th. (loss) in 2018 compared to € (590) th. (loss) in 2017.
- **Profit before tax** amounted to € (744) th. (loss) in 2018 compared to € (676) th. (loss) in 2017.
- **Total assets** for the Company amounted to € 8,147 th. in 2018 compared to € 8,421 th. in 2017.
- **Non-current assets** after depreciation for 2018 amount to € 2,694 th. compared to € 2,681 th. in 2017.
- **Net equity** of the Company in 2018 amounts to € 1,705 th, compared to € 2,605 th. in 2017.
- The Company's **short-term liabilities** amount to € 5,931 th. in 2018 compared to € 4,423 th. in 2017.

Key financial indicators for the Company are presented below:

Financial Ratios

	31/12/2018	31/12/2017
A) Financial leverage and asset structure ratios		
1. Debt to equity ratio:		
Long-term Liabilities / Equity	29,98%	53,42%
2. Loan ratio		
Bank liabilities / Equity	43,98%	146,97%
B) Capitalization ratio		
1. Current asset to total asset:		
Current assets / Total assets	66,93%	68,16%
2. Fixed asset to total assets:		
Non-current assets / Total assets	33,07%	31,84%
C) Liquidity ratio		
1. Capital liquidity ratios:		
Current assets / Short term Liabilities	91,95%	129,74%
2. Cash ratio		
Cash and cash equivalents / Current assets	8,37%	12,57%
D) Profitability ratio		
1.Operating results on sales		
Operating Results / Revenues	(9,32%)	(8,43%)
2. Return on Equity (ROE):		
Profit/(Loss) after tax / Equity	(43,64%)	(25,96%)

II. SIGNIFICANTS EVENTS

During the financial year 2018, the Company, achieved significant brand awareness driven by a large advertising campaign largely carried out in 2017. This boosted the Company's commercial activity, facilitating the deployment of multiple POS terminals (Card Transaction Terminals) on behalf of the Group and gaining market expertise. In parallel, the Company continued to successfully provide ticketing services on its existing platforms.

In December 2018, the Company signed a strategic agreement to gradually sell its POS stock to affiliate company Viva Payments.

III PROJECTED COURSE

The Company will continue the implementation of its development plan as follows:

New investments and products

The Company will restructure its ticketing platform in 2019 by upgrading the underlying technology in order to better provide services to new traders, both domestic and international (concerts, theaters, sports events).

The Company will continue to implement its plan to dynamically develop new products and types of POS systems in order to meet increasing demands of both existing and new merchants. This will expand the Company's clientele.

IV. SIGNIFICANT EVENTS BETWEEN THE 31 OF DECEMBER 2018 AND THE PREPARATION DATE OF THIS REPORT

There were no significant events after December 31st 2018, which affect the Financial Statements.

V. RISKS & UNCERTAINTIES FOR THE NEXT FINANCIAL YEAR

The Company, through its business activities, is exposed to a range of financial risks that the Company's management, through existing strategies and procedures continuously assess to ensure that all necessary and possible measures and actions are taken to minimize any negative effect. Actions taken by competitors may negatively impact the Company's results, specifically when reduced prices due to competition are not offset by reduced costs from increased operational productivity. Furthermore, economic environment uncertainty along with changing government regulations on corporate taxation and labour law, may affect the Company's financial results. The return of domestic economic stability greatly depends on the actions taken and decisions made by both domestic and international institutions, as well as on the assessment of the Greek economy by international creditors in the context of fiscal adjustment programs. Any further negative economic pressures from the Greek economy would affect the Company's ongoing operations. To mitigate these risks and uncertainties, Management continually monitors and adjusts to the economic and regulatory climate to ensure that all necessary actions are taken in order to continue normal operations.

Foreign Exchange Risk
The Company's financial position and operating cash flows are not sensitive to fluctuations in exchange rates as the Company solely transacts in Euro.

Credit Risk
Credit risk refers to the probability that a counterparty shall cause financial loss to the Company due to a breach of its contractual obligations. The Company maintains adequate customer dispersion and is thus not dependent on individual customers, largely mitigating credit risks. Introducing prepaid services into the business would further decrease the Company's credit risk exposure.

Liquidity risk
Liquidity risk refers to the situation when the Company is unable to meet its financial obligations. To manage the liquidity risk, the Company budgets and regularly monitors its cash flows. The Company maintains high creditworthiness with respect to cooperating banks and further maintains high levels of liquidity from its daily transactions. Consequently, the Company does not have any difficulty in fulfilling its financial obligations.

Borrowing and interest rate risk

In the financial sector, the Company cooperates with Greek banks operating in Greece. In light of the Company's existing reciprocal partnerships with credit institutions, the currently approved credit limits, the current low interest rates and other contractual terms, no foreseen short-term risks which may adversely affect the normal operations of the Company exist. The Company's bank borrowings as of 31/12/2018 amounted to 750.000 thousand euros, of which 250.000 were short-term and 500.000 were long-term loans. The number of bank borrowed funds has been reduced in comparison to the previous financial year, in accordance with the financial strategy of the Company. The Company's borrowed funds are denominated in Euro and therefore are not subject to significant interest rate risk. Bank borrowed funds maintain fixed rate structures and therefore do not expose the Company to risk from fluctuations of interest rates and of future cash flows.

VI. PERSONNEL AND ENVIRONMENTAL ISSUES

Company management is comprised of experienced and competent executives, who have full knowledge of the Company and of market conditions, ensuring efficient operations and strategic development.
The Company's structure allows for the immediate replacement of executives without any significant impact on ongoing business. The Company maintains a positive work culture and professional relationships between executives and staff. No workplace incidents have occurred.

The Company recognizes the need for continuous improvement in environmental sustainability and thus operates to ensure the protection of the environment as well as the health and safety of its employees. The goals are met by promoting a modern and safe work environment.

VII. TRANSACTIONS WITH RELATED PARTIES

All transactions from and with related parties are carried out under existing market terms. All significant related-party transactions, as defined by IAS 24, are fully disclosed in Note 30 of the Annual Financial Statements for the financial year ended on December 31, 2018.

Amounts are expressed in € ' Debit Balance	31/12/2018	31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	-	109.058
VIVA WALLET S.A (Parent Company)	-	47.759
K. TSAOUSIS & ASSOCIATES	61.239	66.239
Board members	2.587	121.491
Total	**63.826**	**344.546**

Amounts are expressed in € ' Sales	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	318.105	-
Total	**318.105**	**-**

Amounts are expressed in € ' Credit Balance	31/12/2018	31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	3.116.426	273.472
VIVA WALLET S.A (Parent Company)	409.457	11.719
Other related parties	-	
Total	**3.525.883**	**285.191**

Amounts are expressed in € ' Purchases - Cost of Sales	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	720.388	385.025
VIVA WALLET S.A (Parent Company)	319.200	19.200
Total	**1.039.588**	**404.225**

VIII. OTHER INFORMATION

Share capital structure - Treasury shares
The share capital of the Company consists of 116.668 ordinary shares, each of nominal value €30. All issued shares have been paid in full, provide the same rights to receive dividends and to repay capital.
Each share represents one vote at the Company's General Shareholders' Meeting.

There are no Company shares with special control rights. In addition, the Company's Articles of Incorporation do not provide for any restrictions on voting rights.

The Company does not own treasury shares.

Research and development activities
There are no Research and Development activities.

Litigation cases
There are no litigation or court decisions that may have a significant effect on the financial position or operations of the Company.

Branches
There are no branches.

Financial instruments
The Company does not hold any financial instruments.

IX. DIVIDEND POLICY

The Company will not proceed with the distribution of dividends during the current year.

Dear Shareholders,

Following the above, detailed and substantiated report on the Company's proceedings, and after we thank you for your trust in the Company, the Board of Directors and I personally approve the statutory Financial Statements that are comprised of the Statement of Financial Position as of 31 December 2018, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes of the annual financial statements.

Exact excerpt from the Board of Directors' book

Marousi Attikis , 08/03/2019
The President.& Chief
Executive Officer

Haralampos Karonis

The above annual financial report from the Board of Directors to the General Assembly, consisting of 6 pages, is the one mentioned in the audit report issued on 08/03/2019

Palaio Faliro, 08/03/2019
The Certified Auditor

MAZARS Certified Public Accountants
Business Advisors SA
14, Amfitheas Ave. -175 64 Palaio Faliro
ELTE Reg No: 17

Konstantinos Makris
ELTE Reg No.: 1483

VIVA ONLINE SERVICES SA

ANNUAL FINANCIAL REPORT

for the for the year from
1st January 2018 to 31st December 2018
in accordance with
International Financial Reporting Standards (I.F.R.S.)

These financial statements were approved by the Board of Directors of VIVA ONLINE SERVICES S.A on 08/03/2019

Registered Offices	**18-20 Amarousiou Ave., 15125 Marousi Greece**
Reg. Num	**006549001000**

Marousi, 08/03/2019

The President & Chief Executive Officer	The Member	The Accountant
Haralampos Karonis	**Gerasimos Antypas**	**Dimitrios Kontoulis**
		ID AB 597533
ID AM 207833	**ID X 188444**	**A.M.A 100209**
		A CLASS

Statement of Financial Position
as at 31st of December 2018

Amounts are expressed in € '	Note	31/12/2018	31/12/2017
Assets			
Non current assets			
Property plant & equipment	5.1	1.367.107	1.136.820
Intangible assets	5.2	824.093	1.200.083
Deferred tax assets	5.3	485.210	344.383
Other non-current assets	5.4	17.629	-
Total non- current assets		**2.694.039**	**2.681.285**
Current assets			
Inventories	5.5	1.448.077	1.637.202
Trade and other receivables	5.6	1.379.030	1.288.026
Prepayments	5.7	1.693.543	1.318.563
Receivables from taxes	5.8	30.702	208.572
Other current receivables	5.9	445.073	565.717
Cash and cash equivalents	5.10	456.477	721.503
Total current assets		**5.452.901**	**5.739.585**
Total assets		**8.146.940**	**8.420.869**
Equity and Liabilities			
Equity			
Share capital	5.11	3.500.040	3.500.040
Reserves	5.12	(6.004)	(6.004)
Reserves from actuarial differences	-	49.097	46.729
Retained earnings	5.13	(1.837.997)	(935.498)
Total Equity		**1.705.136**	**2.605.267**
Capital and reserves attributable to shareholders		1.705.136	2.605.267
Total Equity		**1.705.136**	**2.605.267**
Long term Liabilities and Provisions			
Long term loans	5.14	500.000	1.368.062
Provision for personnel compensation	5.15	4.669	7.626
Other provisions	5.16	6.552	16.147
Total long term Liabilities		**511.221**	**1.391.835**
Short term Liabilities			
Trade and other payables	5.17	1.780.442	1.453.479
Short term loans	5.14	250.000	2.461.012
Liabilities from taxes	5.18	9.891	9.285
Other short term liabilities	5.19	3.890.249	499.991
Total short term Liabilities		**5.930.583**	**4.423.767**
Total Liabilities		**6.441.804**	**5.815.603**
Total Equity and Liabilities		**8.146.940**	**8.420.869**

Statement of Comprehensive Income
for the year ended 31st of December 2018

Amounts are expressed in € '	Note	1/1 - 31/12/2018	1/1 - 31/12/2017
Revenues	5.20	**6.297.099**	**7.011.609**
Changes in inventories	5.21	(1.489.739)	(1.960.609)
Payroll and related expenses	5.21	(130.614)	(214.704)
General, selling and administrative expenses	5.21	(4.460.376)	(4.664.238)
Depreciation / Amortization	5.21	(803.379)	(762.816)
Total expenses		**(6.884.108)**	**(7.602.367)**
Operating results		**(587.009)**	**(590.758)**
Earnings before tax, interest depreciation and amortization (EBITDA)		**216.370**	**172.058**
Finance income	5.22	68	204
Finance costs	5.22	(157.169)	(85.655)
Profit before tax		**(744.110)**	**(676.209)**
Income Tax	5.23	66.615	149.361
Profit/(Loss) after tax		**(677.495)**	**(526.848)**
Actuarial gains / losses		3.158	(1.564)
Deferred tax on actuarial (gains) / losses		(790)	454
Other comprehensive income for the period after taxes		**2.369**	**(1.110)**
Total comprehensive income / (loss) after taxes		**(675.126)**	**(527.959)**
Earnings / (losses) per share			
Basic (€ / share)	5.24	(5,81)	(4,52)

Cash Flow Statement
for the year ended 31st of December 2018

Amounts are expressed in € '	1/1 - 31/12/2018	1/1 - 31/12/2017
Profit /(Loss) before income tax	(744.110)	(676.209)
Adjustment for reconciliation of net cash flows from operating activities:		
Amortization/ Depreciation of intangible and tangible assets	803.379	762.816
Provisions	33.447	(3.968)
Interest and similar income	(68)	(204)
Interest and other financial expenses	157.169	85.655
Operating profit before changes in working capital	**249.817**	**168.090**
(Increase)/Decrease in :		
Inventories	189.125	(339.150)
Trade receivables	(91.004)	315.366
Advances and other receivables	(122.464)	(182.604)
Other long-term receivables	(17.629)	-
(Increase)/Decrease in :		
Suppliers	326.964	(1.770.741)
Accrual and other short-term liabilities	3.394.022	41.082
Cash inflows from operating activities	**3.928.832**	**(1.767.957)**
Interest and related expenses paid	(157.169)	(85.655)
Net cash inflows from operating activities	**3.771.663**	**(1.853.612)**
Cash flow from investing activities:		
Purchases of tangible and intangible assets	(657.677)	(965.098)
Interest proceeds and similar income	68	204
Cash outflows from investing activities	**(657.609)**	**(964.894)**
Cash flows from financial activities:		
Net change in short-term loans	(2.211.012)	632.012
Proceeds/(repayments) long-term loans	(868.062)	2.368.062
Value impairments / (recovering impairments) of trade receivables	(300.006)	-
Cash outflows from financial activities	**(3.379.080)**	**3.000.074**
Net increase in cash	**(265.026)**	**181.569**
Cash at beginning of the period	721.503	539.934
Cash at the end of the period	**456.477**	**721.503**

Statement of Changes in Equity
for the year ended 31st of December 2018

Amounts are expressed in € '	Share capital	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 01/01/2017	**3.500.040**	**(6.004)**	**47.839**	**(408.649)**	**3.133.226**
Profit/ (Loss) for the period 1/1-31/12/2017	-	-	-	(526.848)	(526.848)
Other comprehensive income for the period 1/1-31/12/2017	-	-	(1.564)	-	(1.564)
Total comprehensive income 1/1-31/12/2017	**-**	**-**	**(1.564)**	**(526.848)**	**(528.412)**
Other changes in equity for the period 1/1-31/12/2017					
Tax recognized in Equity	-	-	454	-	454
Total	**-**	**-**	**454**	**-**	**454**
Total changes in Equity	**-**	**-**	**(1.110)**	**(526.848)**	**(527.959)**
Balance as at 31/12/2017	**3.500.040**	**(6.004)**	**46.729**	**(935.498)**	**2.605.267**

Amounts are expressed in € '	Share capital	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 01/01/2018	**3.500.040**	**(6.004)**	**46.729**	**(935.498)**	**2.605.267**
Profit/ (Loss) for the period 1/1-31/12/2018	-	-	-	(677.495)	(677.495)
Other comprehensive income for the period 1/1-31/12/2018	-	-	3.158	-	3.158
Total comprehensive income 1/1-31/12/2018	**-**	**-**	**3.158**	**(677.495)**	**(674.337)**
Other changes in equity for the period 1/1-31/12/2018					
Other adjustments	-	-	-	(225.004)	(225.004)
Tax recognized in Equity	-	-	(790)	-	(790)
Total	**-**	**-**	**(790)**	**(225.004)**	**(225.794)**
Total changes in Equity	**-**	**-**	**2.369**	**(902.499)**	**(900.131)**
Balance as at 31/12/2018	**3.500.040**	**(6.004)**	**49.097**	**(1.837.997)**	**1.705.136**

The attached notes which presented on pages 17 to 49 are an integral part of these financial statements.

1. General Information

1.1 The Company

The Company **"VIVA ONLINE SERVICES S.A"**, with the distinctive title "VIVA SERVICES" (the Company), is registered in Greece as a Societe Anonyme Company according to the provisions of Company Law 2190/1920, with headquarters in Marousi, 18-20 Amaroussiou - Chalandriou street, 15125.

The Company was incorporated in 2005 with the aim of providing innovative Telecommunication and OnLine services to businesses and consumers (B2B & B2C). The Company is 100% owned by VivaWallet Holdings S.A.

1.2 Activities

The Company's main activities are, as follows:

- POS terminals sales and Viva Wallet debit cards (Viva Wallet Card) for transactions
- Show ticket (theatre, concerts, etc.) and sporting event ticket (football, basketball games etc.) issuing
- Travel Services (reservation and sale of ferry and air tickets, train tickets, bus tickets, taxi services)
- VoIP Telephony Services and specific IN Services (Intelligent Network Services)

B2B Services

- Virtual Next Generation Call Centers are available with the SaaS (Software as a Service) commercial model
- Applications that integrate Internet and Telephony and are available with the SaaS (Software as a Service) commercial model
- Mobile or landline phone service applications

B2C Services

- Travel Services (reservation and sale of ferry and air tickets, train tickets, bus tickets, taxi services).
- Show ticket (theatre, concerts, etc.) and sporting event ticket (football, basketball games etc.) issuing
- VoIP Telephony Services and specific IN Services (Intelligent Network Services)
- Selling of POS terminals and VivaWallet debit cards (VivaWallet Card) for transactions

For the provision of Phone services, the Company is licensed, by the Hellenic Telecommunications & Post Commission – EETT (The Greek Telecom Regulatory Authority) as a Telecommunication Services Provider.

As for the travel services which the Company provides primarily as an on-line travel agency (www.viva.gr), VIVA records a positive growth particularly in the sale of transportation tickets as well as in the sale of show tickets. The Company has a Travel Agent license from the GNTO and is a member of IATA.

2. Framework for the preparation of the Financial Statements

2.1 Compliance with the IFRS

The financial statements of **VIVA ONLINE SERVICES S.A**. have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Union (EU).

2.2 Basis of preparation of the Financial Statements

The financial statements of **VIVA ONLINE SERVICES S.A.** have been prepared on the basis of the going concern principle and historical cost convention.

2.3 Approval of the Financial Statements

The present annual financial statements have been approved by the Company's Board of Directors on 08/03/2019 and are subject to the approval of the Annual General Meeting of the shareholders.

2.4 Covered Period

The present financial statements of **VIVA ONLINE SERVICES S.A.** cover the period from 1st January 2018 to 31st December 2018.

2.5 Presentation of the Financial Statements

The financial statements are presented in €, which is the functional currency of the Company, namely the currency of the primary economic environment in which the Company operates.
All amounts are in Euro, unless otherwise explicitly indicated.
Any differences in totals are due to rounding.

2.6 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 01, 2018. The Company’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 40 (Amendments) “Transfers of Investment Property”

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.
The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 2 (Amendments) “Classification and measurement of Shared-based Payment transactions”

The amendments clarified the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.
The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 4 "Insurance Contracts" Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts"

The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called *overlay approach*;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called *deferral approach*.
- The application of both approaches is optional, and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The *overlay approach* is to be applied when IFRS 9 is first applied. The *deferral approach* is effective for annual periods beginning on or after 1 January 2018 and is only available for three years after that date.
The application of the amendments did not have impact on Financial Statements of the Company.

IFRS 9 "Financial Instruments"

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39.

On January 1, 2018, the Company adopted IFRS 9 Financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement, and changes the requirements for the impairment of the Company's financial assets.

The Company applied the standard retrospectively without restatement of the comparative information for prior years, on 1 January 2018.

IFRS 9 was adopted without restating comparative information and therefore the adjustments arising from the new classification and impairment rules are not reflected in the statement of financial position on 31 December 2017, but are recognized in the opening statement of financial position on 1 January 2018.

The Company has applied the simplified approach in paragraph 5.5.15 of IFRS. 9 for the impairment of the expected credit losses on balances of trade and other receivables at the date of initial application. The result of the requirements of the new standard was the increase in provisions for impairment of the Company by € 300.006, the increase of deferred tax assets by € 75.001 with a corresponding effect on the opening balance of the "Retained earnings" account.

The Company recognized three categories of trade receivables:

- **Common Clients:** Customers with whom the Company has cooperation according common trade term agreement,
- **Bartering Clients:** Collaborations with clients which include both sales and purchase agreement equally amounted throughout the contracted duration and eventually is being offset,
- **Bad debt:** Customers with uncollected amounts more than a year.

The table below presents relevant calculations adopted:

Category A (Common Clients) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	165.214	1,50%	(2.478)
180-360	101.342	40,00%	(40.537)
>360	238.778	100,00%	(238.778)
Total receivables	**505.335**		**(281.793)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	569.051	0,10%	(569)
180-360	73.406	5,00%	(3.670)
>360	139.795	10,00%	(13.980)
Total receivables	**782.252**		**(18.219)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	-	100,00%	-
180-360	-	100,00%	-
>360	106.649	100,00%	(106.649)
Total receivables	**106.649**		**(106.649)**
Total	**1.394.236**		**(406.661)**

Impairment losses according to the previous accounting policy:	(106.655)
Effect on impairment losses:	**(300.006)**
Deferred tax at 25%:	75.001
Effect in opening balances of "Retained earnings" as at 1/1/2018 from changes in accounting policy:	**(225.004)**

Category A (Common Clients) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	211.440	1,50%	(3.172)
180-360	151.180	40,00%	(60.472)
>360	390.248	100,00%	(390.248)
Total receivables	**752.868**		**(453.891)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2018		
Days		**Loss percentage**	**Loss amount**
0-180	578.680	0,10%	(579)
180-360	-	5,00%	-
>360	93.592	10,00%	(9.359)
Total receivables	**672.272**		**(9.938)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2018		
Days		**Loss percentage**	**Loss amount**
0-180	400	100,00%	(400)
180-360	-	100,00%	-
>360	100.004	100,00%	(100.004)
Total receivables	**100.404**		**(100.404)**
Total	**1.525.544**		**(564.233)**

Impairment losses according to the previous accounting policy 31/12/2017:	(406.661)
Impairment losses charged to profit and loss account for the period 1/1-31/12/2018:	**(157.572)**

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity recognizes revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:
- Financial instruments and other contractual rights or obligations within the scope of IFRS 9 'Financial Instruments', IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'
- Lease contracts within the scope of IAS 17 'Leases' (or IFRS 16 'Leases'); and
- Insurance contracts within the scope of IFRS 4 'Insurance Contracts'

IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

On 1.1.2018, the Company adopted IFRS 15 by using the modified retrospective approach, meaning that the cumulative impact of the adoption was recognized in retained earnings and comparatives were not restated. However, they had no impact on their profitability, liquidity or financial position by applying IFRS 15 for the first time. Therefore, opening retained earnings for 2018 were not adjusted.

Revenue is the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (value-added tax, other sales taxes etc.).

Variable considerations are included in the transaction price and they are estimated using either the expected value method, or the most likely amount method.

Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time .

Revenue from the sale of goods is recognized when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The main products of Company are POS Terminals, Debit Cards, VoIP devices and talk time renewal codes for sell phones. Furthermore, the Company provides Show and sporting event's tickets, travel services etc.

Revenue arising from services is recognized in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided.

A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customers pays or before payment is due, usually when goods or services are transferred to the customer before the Company has a right to invoice.

A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Company transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

Revenue from rental income arising, from operating leases, is accounted for on a straight-line basis over the lease terms.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.
This amendment has no impact in the Company.

<u>Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)</u>

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.
This amendment has no impact in the Company.

Standards and Interpretations effective for subsequent periods

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.
The amendments have not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.
The amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.
The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.
The amendments have not yet been endorsed by the EU.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.
The Company is currently assessing the impact of the amendment.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
The Company is currently assessing the impact of IFRS 16.

IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.
The new standard has not yet been endorsed by the EU.

IFRIC 23 “Uncertainty over income tax treatments” (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs.
The amendments have not yet been endorsed by the EU.

IAS 12 “Income taxes”

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 “Borrowing costs”

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

IFRS 3 “Business combinations”

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 “Joint arrangements”

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

3. Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires estimates and management judgements, which may affect the application of the accounting policies and the amounts included in the financial statements.

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.2 Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. In most cases, depending on the jurisdiction in which such tax losses have arisen, such tax losses are available for set off for a limited period of time since they are incurred. The Company makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for relevant entity.

3.3 Estimation of the useful life and residual value of tangible assets

Judgment is required in determining the useful life and the residual value of tangible assets. The estimation of the useful life of an asset is a matter of judgment based on the experience of the Company's management of similar assets. The residual value and the useful life of an asset are reviewed at least annually, taking into account new facts and prevailing market conditions.

3.4 Provision for impairment of receivables

Management evaluates the estimated allowance based on specific reviews of customer balances taking into account its experience with collection trends in the market, the current economic conditions and also the securities and collaterals obtained from specific customers. The Company regularly reassesses the allowance for doubtful accounts receivable in conjunction with the customer's commercial behaviour taking into consideration reports from its legal department. Estimates are involved of amounts expected to be recovered in the case of defaulted customers taking into account any settlement arrangements, whether the customer is repaying agreed instalments, and expected recoveries from any collaterals held.

3.5 Post-employment benefits

Post-employment benefits are calculated at the discounted present value of future compensation benefits of employees which will have been accrued at year-end based on the assumption that those benefits are accrued equally during the employment period. Post-employment benefits are calculated on the basis of financial and actuarial assumptions that require management to make assumptions about discount rates, salaries increases rates, mortality and disability rates, retirement age and other factors. Due to the long term nature of these projections, these assumptions are subject to considerable uncertainty.

4. Summary of significant accounting policies

The significant accounting policies that have been adopted by the Company for the preparation of financial statements are summarized below:

4.1 Intangible assets

Software
The software licenses (internally and externally acquiring) evaluated on the basis of cost less the accumulated amortizations.
In the current year no internally developed software was recognized.

The costs associated with maintenance of computer software costs are recognized in the period in which they occur.

The costs capitalized, are amortized on a straight-line method over the estimated useful lives (five to ten years). In addition, the acquired software is reviewed for impairment annually.

4.2 Property, Plant and Equipment

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the results when such is incurred.

Land is not depreciated. Depreciation of other of tangible assets is calculated using the straight line method over their useful life as follows:

- Facilities in the property of third parties, the purchase price , to the years of leasing or the years of their useful life (if less than the year lease)
- Computers and general Hardware (H/Y, screens, cameras, scanners etc.), 5 years
- Furniture and other equipment, 5 – 10 years
- For other tangible assets , the depreciation rates set out in the tax legislation were considered adequate

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other (losses)/gains – net" in the income statement.

4.3 Impairment of non-financial assets

Assets with an indefinite useful life, e.g. goodwill, are not depreciated, and are subject to impairment testing on an annual basis, and when certain events or changes to the circumstances suggest that their carrying value may not be recoverable. Assets that are depreciated are subject to impairment audit when indications exist that their book value is not recoverable. Impairment loss is recognized for the amount by which the fixed asset's carrying value exceeds its recoverable value. The recoverable value is the higher between fair value, reduced by the cost required for the disposal, and the value in use (current value of cash flows anticipated to be generated based on the management's estimates of future financial and operating conditions). For the calculation of impairment losses, assets are classified in the minimum cash generating units. Any non-financial assets, apart from goodwill, which have been impaired are reassessed for possible impairment reversal on each balance sheet date.

4.4 Financial assets

Classification
The Company classifies its financial assets as "Loans and Receivables". The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Loans and receivables
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Recognition and measurement
The purchase and sales of investments are recorded for on the trade-date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at their fair value, plus expenses directly related to the transaction. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables are recognized initially at fair value and are carried subsequently at amortized cost using the effective interest method.

4.5 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost and assets measured at amortized cost based on the effective interest rate method (non-current receivables).

For the purposes of impairment testing of the financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognized in profit or loss.

Impairment loss of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Serious problems that the customer encounters, the possibility of bankruptcy or financial reorganization and the inability of scheduled payments considered to be evidence that the receivable value must be impaired. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized as an expense in the income statement.

4.6 Inventories

Inventories are stated at the lower of acquisition cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished and semi-finished inventories includes cost of design, raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provision for slow-moving or obsolete inventories is formed when necessary.

4.7 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

4.8 Cash and cash equivalent

Cash and cash equivalents include cash in hand and deposits held at call with banks.

It also includes bank deposits and short term highly liquidity investments with an original maturity of three months or less.
For the preparation of the cash flow statement, Cash and cash equivalents comprise cash in hand and bank deposits as defined above.

4.9 Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Incremental costs directly attributable to the issue of new Company parts are shown after the reduction of the relative income tax, in reduction of equity.

4.10 Trade payables

Trade payables are obligations to make payments for products or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

4.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the tax legislation established as of the balance sheet date, in accordance with the tax rules in force in Greece. Current income tax expense consists of income taxes for the current year based on entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.
Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

4.12 Employee benefits

a) Post-employment benefits
The employee benefits after their retirement include defined contribution programs and defined benefit programs. A defined contribution scheme is a pension plan under which the Company makes fixed payments to a separate legal entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability that is reported in the balance sheet with respect to defined benefit schemes is the present value of the liability for the defined benefit on the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by using the rate of long-term Greek government bonds, however, because of current economic conditions the yield curve of the European Central Bank bonds was used instead of Greek government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

b)Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Company discloses information about the contingent liability.

4.13 Provisions

Provisions are recognized when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial expense. Provisions are reviewed on each date of financial statements and if an outflow of funds to settle the obligation is unlikely, they are reversed in the income statement.
When the Company expects the recovery of a compensation to settle a provision, for instance under an insurance contract, the reimbursement is recognized as a separate asset only when it is virtually certain.

4.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied, stated net of discounts, returns and value added taxes.

The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

a) Sales of goods - wholesale
Sales of goods are recognized when the entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

b) Interest income
Interest income is recognized on an accrual basis using the effective interest method. When a receivable is impaired, the Company reduced the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

c) Sales of services
Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service.

In the case where the Company acts as an agent, the commission rather than gross revenue is recognized as revenue.

d) Dividends
Dividends are recognized as income when the payment is accrued.

4.15 Leases

a) Company as lessee
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

b) Company as lessor
Revenue from operating leases is recognized in the income statement using the straight-line method during the lease period.

5. Notes on the balance sheet data and the income statement

5.1 Property, plant and equipment

Amounts in €'	POS Terminals	Furniture and other equipment	Total
Acquisition cost 1/1/2017	-	575.334	575.334
less: Accumulated depreciation	-	(204.737)	(204.737)
Net book value 1/1/2017	**-**	**370.597**	**370.597**
Additions	953.470	11.007	964.478
Annual depreciation	(92.962)	(105.294)	(198.256)
Acquisition cost 31/12/2017	**953.470**	**586.341**	**1.539.812**
less: Accumulated depreciation	**(92.962)**	**(310.031)**	**(402.992)**
Net book value 31/12/2017	**860.509**	**276.311**	**1.136.820**
Additions	410.409	161.295	571.704
Annual depreciation	(230.804)	(110.613)	(341.417)
Acquisition cost 31/12/2018	**1.363.880**	**747.637**	**2.111.516**
less: Accumulated depreciation	**(323.765)**	**(420.644)**	**(744.409)**
Net book value 31/12/2018	**1.040.114**	**326.993**	**1.367.107**

Depreciation expenses are allocated in the Statement of Comprehensive Income.

The property, plant and equipment are free of pledges/collaterals.

5.2 Intangible Assets

Amounts in €'	Software	Assets under constraction	Total
Acquisition cost 1/1/2017	3.737.398	34.000	3.771.398
less: Accumulated amortization	(2.007.375)	-	(2.007.375)
Net book value 1/1/2017	**1.730.023**	**34.000**	**1.764.023**
Additions	620	-	620
Transfers	34.000	(34.000)	-
Annual amortization	(564.561)	-	(564.561)
Acquisition cost 31/12/2017	**3.772.018**	**0**	**3.772.018**
less: Accumulated amortization	**(2.571.935)**	**-**	**(2.571.935)**
Net book value 31/12/2017	**1.200.083**	**0**	**1.200.083**
Additions	85.973	-	85.973
Annual amortization	(461.962)	-	(461.962)
Acquisition cost 31/12/2018	**3.857.991**	**0**	**3.857.991**
less: Accumulated amortization	**(3.033.898)**	**-**	**(3.033.898)**
Net book value 31/12/2018	**824.093**	**0**	**824.093**

The Intangible Assets mainly concern computer software used by the Company.

Amortization expenses are allocated in the Statement of Comprehensive Income.

5.3 Deferred tax asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows

Amounts are expressed in € '	31/12/2018		31/12/2017		31/12/2018	31/12/2017
	Receivables	Liabilities	Receivables	Liabilities	Income / (Expense)	Income / (Expense)
Liabilities for employee compensation due to retirement	946	-	1.685	-	50	(1.151)
Impairment of receivables	187.109	-	61.214	-	50.893	23.670
Difference in tax rate	-	(43.700)	-	-	(43.700)	-
Recognition of tax loss	340.855	-	281.483	-	59.371	126.842
Total	**528.910**	**(43.700)**	**344.383**	**-**	**66.615**	**149.361**
Clearing	**528.910**	**(43.700)**	**344.383**	**-**		
Deferred tax asset/ (liabilities)	**485.210**	**-**	**344.383**	**-**		
Tax to OCI					**(790)**	**454**
Tax to Comprehensive income					**65.826**	**149.814**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company recognized deferred income tax assets of € 340.855 in respect of losses amounting to € 237.486 that can be carried forward against future taxable income.

Current tax liabilities include short-term liabilities payable to the tax authorities related to the above taxes payable (tax on assets for the Company). Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

Up until 31.12.2018 the tax authorities have not notified for any control order of the Company for the fiscal years 2010, 2011 and 2012. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, reported uses pursuant to (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases); b) paragraph 1 of article 57 of Law 2859/2000 (non-audited cases of VAT and c)) of par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

In addition, the Company has been audited by a certified auditor according to Law 4174/2013 article 65A and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the years 2014, 2015, 2016 and 2017. The Company expect to receive the tax certificate for the year 2018. For the fiscal year 2013 which remains unaudited by the tax authorities, the Management estimates that the taxes that may arise will not have a material effect on the financial statements and has provided accordingly.

For the fiscal year 2017, the rate used for calculating income tax and deferred tax is 29%, namely the rate set by the current law on 31/12/2017. For the current fiscal, deferred taxes were calculated with 25% rate based on the recently applying law 4579/2018 (article 23) on 31/12/2018.

5.4 Other non-current assets

The analysis of Other non-current assets is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Guarantees on telephone services	17.629	-
Total	**17.629**	**-**

5.5 Inventories

The Inventories are analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Inventory	1.448.077	1.637.202
Total realisable value	**1.448.077**	**1.637.202**
Provision for impairment	-	-
Total net realisable value	**1.448.077**	**1.637.202**

Company's inventories include:

Amounts are expressed in € '	31/12/2018	31/12/2017
POS terminals	994.519	1.452.130
Top up cards	130.832	76.799
Debit cards	319.506	105.054
Voip devices	3.219	3.219
Total	**1.448.077**	**1.637.202**

The major portion of the Company's inventories consists of the POS terminals which the Company buys and resells to cooperating traders.

The «Debit cards» inventory amount consist of the purchase of new Debit cards amounting to € 277.959 and the packaging supplies amounting to € 41.546.

It is noted that inventories are valued at each Statement of Financial Position date at the lower of cost and net realizable value.

The cost of inventories recognized as an expense within “Cost of Sales” during the current and prior year for the Company was € 1.489.739 and € 1.960.609 respectively.

For the current and previous year no provision for impairment was required. In addition, there are no stocks that have been pledged to secure claims.

5.6 Trade and other receivables

The analysis of Trade and other receivables is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Domestic customers	1.943.264	1.371.755
Foreign customers	-	22.926
Total	**1.943.264**	**1.394.682**
- Less: Provisions for doubtfull accounts	(564.233)	(106.655)
Total	**1.379.030**	**1.288.026**

The customers receivables do not constitute of interest-bearing items and are usually regulated from the course activities of the Company, in a short period of time.

For all the Company's receivables, an estimate of the probable impairment has been made. Some of the claims have been impaired. For these receivables, the Company has formed an additional provision for the fiscal year 2018, of the amount of € 457.578. The impaired receivables mainly relate to certain levels of aged balances that are considered to be irrecoverable.

The ageing analysis of the impaired receivables is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Days		
60-90	3.243	-
91-120	327	-
121-180	580	-
181-365	60.472	-
>365	499.611	106.655
Total	**564.233**	**106.655**

The fair value of these short-term financial assets is not determined independently, as the carrying amount is considered to approximate their fair value.

The movement in the provision of impairment of Customers and other trade receivables is set out below.

Amounts are expressed in € '	31/12/2018	31/12/2017
Balance at the beginning of the year	**106.655**	**94.915**
New provision	457.578	11.740
Balance at the end of the year	**564.233**	**106.655**

The movement in the provision for impairment has been included in the statement of comprehensive income.

For all trade receivables, an assessment for possible impairment has been undertaken upon relevant indications. Certain receivables have been impaired. The impaired receivables relate mainly to customers who face financial difficulties and their balances are estimated as non-recoverable.

The aging analysis of the receivables as well as the analysis of the provision for impairment based on the expected credit losses on the balances of trade and other receivables is as follows:

Category A (Common Clients) Amounts are expressed in € '	31/12/2017		
Days		**Loss percentage**	**Loss amount**
0-180	165.214	1,50%	(2.478)
180-360	101.342	40,00%	(40.537)
>360	238.778	100,00%	(238.778)
Total receivables	**505.335**		**(281.793)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2017		
Days		**Loss percentage**	**Loss amount**
0-180	569.051	0,10%	(569)
180-360	73.406	5,00%	(3.670)
>360	139.795	10,00%	(13.980)
Total receivables	**782.252**		**(18.219)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	-	100,00%	-
180-360	-	100,00%	-
>360	106.649	100,00%	(106.649)
Total receivables	**106.649**		**(106.649)**
Total	**1.394.236**		**(406.661)**

Impairment losses according to the previous accounting policy:	(106.655)
Effect on impairment losses:	**(300.006)**
Deferred tax at 25%:	75.001
Effect in opening balances of "Retained earnings" as at 1/1/2018 from changes in accounting policy:	**(225.004)**

Category A (Common Clients) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	211.440	1,50%	(3.172)
180-360	151.180	40,00%	(60.472)
>360	390.248	100,00%	(390.248)
Total receivables	**752.868**		**(453.891)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	578.680	0,10%	(579)
180-360	-	5,00%	-
>360	93.592	10,00%	(9.359)
Total receivables	**672.272**		**(9.938)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	400	100,00%	(400)
180-360	-	100,00%	-
>360	100.004	100,00%	(100.004)
Total receivables	**100.404**		**(100.404)**
Total	**1.525.544**		**(564.233)**

Impairment losses according to the previous accounting policy 31/12/2017:	(406.661)
Impairment losses charged to profit and loss account for the period 1/1-31/12/2018:	**(157.572)**

5.7 Prepayments

This item shows the debit balances of the Company's suppliers:

Amounts are expressed in € '	31/12/2018	31/12/2017
Advances to domestic suppliers	1.791.892	1.426.775
Advances to foreign suppliers	57.125	1.264
Total	**1.849.018**	**1.428.038**
-Less: Provisions for doubtfull accounts	(155.475)	(109.475)
Total	**1.693.543**	**1.318.563**

Amounts are expressed in € '	31/12/2018	31/12/2017
Balance at the beginning of the year	**109.475**	**-**
New provision	46.000	109.475
Balance at the end of the year	**155.475**	**109.475**

5.8 Receivables from taxes

The analysis of the item is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Greek State – Taxes Prepaid - Taxes withheld	19.613	19.613
Tax withheld at source on interest income	41	30
Other taxes and duties	129	129
VAT refund	10.919	188.800
Total	**30.702**	**208.572**

5.9 Other current receivables

The item “Other current receivables” includes:

Amounts are expressed in € '	31/12/2018	31/12/2017
Other debtors	169.921	176.154
Advances to Personnel	19.346	24.022
Receivables from Board members	2.587	121.491
Prepaid Expenses	224.954	171.386
Accrued revenue	28.266	72.665
Total	**445.073**	**565.717**

The item Prepaid Expenses includes 141 th, prepayments regarding grants. Total amount is estimated to be realized in Income Statement until next year.

The fair values is considered to approximate their book value. Additionally, the maximum exposure to credit risk , excluding guarantees and credit enhancement, is considered to approximate their book value.

5.10 Cash and cash equivalents

The Company's Cash and cash equivalents are analysed as shown in the table below:

Amounts are expressed in € '	31/12/2018	31/12/2017
Bank deposits	439.149	698.481
Cash on hand	17.328	23.022
Total	**456.477**	**721.503**

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

These amounts refer to deposits with well-known and certificated domestic and foreign financial institutions.

5.11 Share Capital

The share capital of the Company as at 31/12/2018 amounts to € 3,500,040.00 and consists of one hundred and sixteen thousand six hundred and sixty eight (116.668) ordinary shares with a nominal value of € 30.00 each one. All issued shares have been fully paid, provide the same rights to receive dividends and to the repayment of the capital and represent one vote at the General Shareholders' Meeting of the Company.

	31/12/2018		31/12/2017	
Amounts are expressed in € '	Number of shares	Nominal value	Number of shares	Nominal value
Number of approved shares				
Ordinary shares	116.668	30,00 €	116.668	30,00 €
preferred shares				
Ordinary shares	116.668	30,00 €	116.668	30,00 €
preferred shares				

Amounts are expressed in € '	31/12/2018	31/12/2017
Share capital - start of the period	**3.500.040**	**3.500.040**
Increase in share capital	-	-
Share capital - end of the period	**3.500.040**	**3.500.040**

5.12 Reserves

Reserves are analysed below:

Amounts are expressed in € '	Legal reserves	Other reserves	Total
Balance as at 1/1/2017	**19.316**	**(25.320)**	**(6.004)**
New reserves	-	-	-
Issuance of a bond loan	-	-	-
Balance as at 31/12/2017	**19.316**	**(25.320)**	**(6.004)**
New reserves	-	-	-
Issuance of a bond loan	-	-	-
Balance as at 31/12/2018	**19.316**	**(25.320)**	**(6.004)**

Legal reserves
According to Codified Law 2190/1920 5% of profits after tax must be transferred to a legal reserve until this amount to 1/3 of the Company's share capital. This reserve cannot be distributed but may be used to offset losses.

Other reserves
Extraordinary reserves represent prior years retained earnings and may be distributed to the shareholders with no additional tax following a relevant decision by the Annual General Assembly Meeting.

5.13 Retained earnings

Retained earnings include cumulative retained earnings and IFRS adjustments. The current year's movement is depicted in the Statement of Changes in Equity.

5.14 Borrowings

The Company's borrowings are analysed as follows:

Long term loans	31/12/2018	31/12/2017
Long term loans	500.000	1.368.062
Total long term loans	**500.000**	**1.368.062**

Short term loans	31/12/2018	31/12/2017
Short term loans	250.000	2.461.012
Short term loans (overdrafts)	0	-
Total short term loans	**250.000**	**2.461.012**
Total borrowings	**750.000**	**3.829.074**

The maturities of all loans are as follows for 2018 and 2017:

Borrowings as at 31/12/2018	Long term loans	Finance lease obligations	Short term loans	Total
1 year and less	-	-	250.000	**250.000**
Between 1 and 5 years	500.000	-	-	**500.000**
Over 5 years	-	-	-	**-**
Total	**500.000**	**-**	**250.000**	**750.000**

Borrowings as at 31/12/2017	Long term loans	Finance lease obligations	Short term loans	Total
1 year and less	-	-	2.461.012	**2.461.012**
Between 1 and 5 years	1.368.062	-	-	**1.368.062**
Over 5 years	-	-	-	**-**
Total	**1.368.062**	**-**	**2.461.012**	**3.829.074**

To conclude, loan balances refer to short-term borrowings from domestic commercial banks at an average rate of 5.5% (2017: 5.5%).

5.15 Provision for personnel compensation

Employee compensation obligations were determined through an actuarial study carried out by an actuary who provided a relevant study to the Company.

Actuarial assumptions 01/01/2018-31/12/2018	
Technical interest rate	1.50%
Salary future increase	0.50%
Inflation rate	1.80%
Net rate of retirement	0.00%

On 31/12/2018, the Company had 8 employees. On 31/12/2017 the Company had 5 employees. The amount of the liability recognized in the Company's financial statements is:

Amounts are expressed in € '	31/12/2018	31/12/2017
Obligations for defined benefit plans	4.669	7.626
Net liability recognized in the Statement of Financial Position	**4.669**	**7.626**

In accordance with the revised IAS 19 (paragraph 63), the liability for benefits to employees recognized in the balance sheet is equal to the actuarial liability at the date of calculation.
Also, in accordance with the revised IAS 19 (paragraph 141), the liability for employee benefits recognized in the year-end balance sheet is equal to the opening balance sheet liability after the effect of the following:

- Service cost
- Interest cost
- Contribution of employees and employers
- Benefit paid
- Gain and losses from reductions
- Changes to actuarial liability or to the assets of the program
- Changes in exchange rate for calculation of plan assets in case of using different currency from that than this of the country's in which the subject Company is located etc.

In accordance with the revised IAS 19 in the Statement of Comprehensive Income (OCI), the actuarial gains / (losses) arising in each fiscal year are recognized in full. The amount recognized in Equity (OCI) amounts to € for 3.158,00 2018 compared to € (1.564,00) for the year 2017.

Accounting Illustrations
On June 16, 2011, the International Accounting Standards Board (IASB) amended the IAS 19.
The revised IAS 19 R is effective for fiscal periods beginning on or after 1 January 2013. Therefore, for the fiscal year 2017, the accounting was prepared in accordance with the IAS 19 R.

Amounts are expressed in € '	31/12/2018	31/12/2017
Opening balance of defined benefit plans	7.626	10.030
Current service cost	523	1.737
Interest cost	114	150
Past service cost	1.205	27.672
Actuarial (gain) / loss	(3.158)	1.564
Employer's paid benefit	(1.641)	(33.527)
Liability in Statement of Financial Position	**4.669**	**7.626**

5.16 Other provisions

The account concerns of a provision for non-audited fiscal year of 2013, amounting to € 6.552 formed in prior fiscal years. This year the Company has proceeded with the reversal of the amount € 9.596 for non-audited fiscal year due to the fact that the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred.

5.17 Trade and other payables

The item Trade and other payables is analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Local and Foreign suppliers	1.780.442	1.453.479
Total	**1.780.442**	**1.453.479**

Trade and other payables mainly comprise amounts outstanding for trade purchases and operating expenses

The total of the above liabilities is considered to be of short-term maturities.

The fair value of these short-term financial liabilities is assumed to approximate their carrying amount.

Liabilities to suppliers are not interest-bearing accounts and the average credit period received for purchases, is approximately 30 days from invoicing day unless agreed otherwise, in contracts or private agreements.

5.18 Liabilities from taxes

The Company's current liabilities from taxes are analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Payroll income tax withholdings	2.115	1.300
Tax liabilities on EU fees	600	2.832
Tax liabilities due to municipal fee 2%	7.173	5.149
Other taxes	3	3
Total	**9.891**	**9.285**

5.19 Other short term liabilities

The “Other short-term liabilities” account for the Company is analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Social security	7.829	4.389
Shared expenses payable	2.097	722
Sundry Debtors	144.530	82.397
Liabilities to Viva Payments agent	305.746	273.472
Other short term liabilities	3.430.047	20.014
Accrued expenses of the year (payable)	-	118.996
Total	**3.890.249**	**499.991**

«Other short term liabilities” includes a total amount of € 2.963.666 as prepayment for POS terminal sales in the course of transfer of POS business of the Company to Viva Payments

5.20 Revenues

The Company's revenue is analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Revenues from sales	962.805	1.605.317
Revenues from services	5.334.294	5.406.292
Total	**6.297.099**	**7.011.609**

The revenues are analysed as follow:

Amounts are expressed in € '	31/12/2018	31/12/2017
POS Sales	951.073	1.501.936
POS Lease	633.619	499.662
Phone Services	1.357.548	1.391.197
Ticketing Services	1.243.457	1.121.580
Transportation	1.227.523	1.427.117
Mobile cards	795.890	644.885
Other	87.990	425.232
Total	**6.297.099**	**7.011.609**

5.21 Expenses

The total of the Company's expenses is analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Changes in inventories POS	708.063	1.289.946
Other changes in inventories	781.676	670.663
Employee compensation and expenses	130.614	214.704
Third party fees	3.259.375	3.309.382
Utilities, rents and other cost services	238.682	206.903
Other taxes-duties	63.374	64.767
Travelling expenses	152.867	47.292
Promotion and advertisement expenses	434.294	718.356
Subscriptions - contributions	11.296	33.050
Stationary	6.371	6.777
Production costs	10.870	4.603
Other operating expenses	79.676	191.488
Depreciation / Amortization	803.379	762.816
Impairments (including effect from IFRS 9)	203.572	81.620
Total	**6.884.108**	**7.602.367**

The expenses recognized for employee benefits are analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Salaries, Wages & benefits	103.491	147.323
Contributions to Social security	24.846	35.923
Retirement and severance payments	1.641	33.527
Other personnel benefits and expenses	549	2.049
Current service cost	87	(4.118)
Total	**130.614**	**214.704**

The Company's average number of employees for the time periods presented is as follows:

No of employees	31/12/2018	31/12/2017
Salary - paid employees	6	5
Total	**6**	**5**

Third parties' fees and expenses for the Company are analysed as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
POS sales & other commissions	255.406	582.318
Ticket Commisions	665.097	796.205
Transportation fees	804.797	701.502
Phone fees	117.106	195.616
Customer support	852.327	617.050
Marketing fees	93.582	211.689
IT & infrastructure	32.587	53.958
Housing & accomodation	4.773	3.618
Legal & other fees	23.235	19.357
Administration fees	365.103	71.305
Other third party fees	45.363	56.763
Total	**3.259.375**	**3.309.382**

Administration fees include amount of € 300 th. that concerns management fees from the Parent Company.

5.22 Financial expenses - income

The analysis of the financial expenses of the Company is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Actuarial interest and expense	114	150
Interest and expenses of loan	81.034	27.336
Other bank expenses	76.022	58.169
Total	**157.169**	**85.655**

The analysis of the financial income of the Company is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Interest from deposits with banks	68	204
Total	**68**	**204**

5.23 Income Tax

The tax on the losses before tax of the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of the Company as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Current tax		
Tax for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Deferred tax from temporary differences	6.454	22.973
Deferred tax from carried forward tax losses	59.371	126.842
Total deferred tax	**65.826**	**149.814**
Total tax	**65.826**	**149.814**
Applied tax rate	29%	29%
Profit before tax	**(744.110)**	**(676.209)**
Tax based on applied tax rate (1)	**215.792**	**196.101**
Tax amounts to		
Non-Deductible Expenses	(88.095)	(46.740)
Other differences	(64.654)	454
Tax from previous year loss	2.783	-
Total (2)	**(149.966)**	**(46.286)**
Total (1) + (2)	**65.826**	**149.814**

Audit Tax Certificate:

For the fiscal years 2014, 2015, 2016 and 2017 the Company has been audited for its tax liabilities by the legally appointed auditor and has obtained the "Tax Compliance Report", out of which no additional tax liabilities arose regarding tax expense, according to the relevant laws and regimes.

The tax audit for the financial year 2018 is still in progress by the statutory auditors "Mazars S.A." and the relevant tax compliance report is expected to be issued after the publication of the annual financial statements of year 2018. The Company's Management does not expect that significant additional tax liabilities will arise, in excess of these recorded disclosed in the financial statements.

5.24 Profit/(Loss) per share

The basic Profit/(Loss) per share are calculated by dividing the profit or loss for the fiscal year, minus any dividends, by the weighted average number of ordinary shares during the period.

Amounts are expressed in € '	31/12/2018	31/12/2017
Profit/(Loss) after tax	(677.495)	(526.848)
Weighted number of shares	116.668	116.668
Basic Profit/(Loss) per share (cents /sha	**(5,81)**	**(4,52)**

The weighted number of shares is as follows:

	31/12/2018	31/12/2017
Balance of shares at 01/01	116.668	116.668
Balance of shares at 01/01	116.668	116.668
Weighted number of shares	**116.668**	**116.668**

5.25 Dividends

During the current year of 2017, the Company did not pay dividends to its shareholders as the previous year resulted in a loss. For 2018, the Company will also not distribute a dividend due to losses.

6. Contingent assets and liabilities

a) There are no outstanding legal cases against the Company, which are expected to flourish and to compel the Company to compensation.

b) The tax audit for the financial year 2018 is still in progress by the statutory auditors «Mazars S.A.». Upon completion of the tax audit, the Company's Management does not expect that significant additional tax liabilities will arise, in excess of these recorded and disclosed in the financial statements.

c) The Company has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business, from which it is not anticipated that any material liabilities will arise.

In conclusion no material charges are expected arise from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements. Against credit guarantees issued by credit institutions, tangible collaterals have not been granted.

7. Related Party transactions

The following transactions are transactions with related parties as defined by IAS 24, cumulative from the beginning of the fiscal year to the end of it as well as the rest of the Company's assets and liabilities at the end of the current fiscal year, resulting from the specific transactions of related parties.

Transactions and Balances with related party

Transactions in the years 2018 and 2017 and the balances at 31/12/2018 and 31/12/2017 with related parties within the meaning of IAS 24 are as follows.

Amounts are expressed in € ' Debit Balance	31/12/2018	31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	-	109.058
VIVA WALLET S.A (Parent Company)	-	47.759
K. TSAOUSIS & ASSOCIATES	61.239	66.239
Board members	2.587	121.491
Total	**63.826**	**344.546**

Amounts are expressed in € ' Credit Balance	31/12/2018	31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	3.116.426	273.472
VIVA WALLET S.A (Parent Company)	409.457	11.719
Other related parties	-	
Total	**3.525.883**	**285.191**

Amounts are expressed in € ' Sales	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	318.105	-
Total	**318.105**	**-**

Amounts are expressed in € ' Purchases - Cost of Sales	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	720.388	385.025
VIVA WALLET S.A (Parent Company)	319.200	19.200
Total	**1.039.588**	**404.225**

Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No provision has been made to doubtful debts in respect to the amounts due from related parties.

8. Capital Management policies and procedures

The Company manages its capital to ensure that will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company monitors the capital using the Gearing ratio of net total liabilities to equity. The net debt includes interest-bearing borrowings less cash and cash equivalents.

The Board of Directors monitors the capital structure on a frequent basis and takes into account the associated cost of capital and risks in order to determine the follow up strategy.

Amounts are expressed in € '	31/12/2018	31/12/2017
Total net liabilities	5.985.327	5.094.100
Equity attributable to company's	1.705.136	2.605.267
Total net liabilities / Equity	**3,51**	**1,96**

9. Risk management policies

The Company's activities create a variety of financial risks, including foreign exchange risks and interest rate, credit and liquidity risks. The overall risk management program of Company's movements focuses in financial markets fluctuations and intends to minimize potential adverse effects of these fluctuations on the financial performance of the Company.

The Company does not perform speculative transactions or transactions that are not related to its commercial, investing or borrowing activities.

The financial instruments, which use the Company, mainly consisted of deposits in banks, bank's accounts, accounts receivables and payables and long term borrowings.

9.1 Foreign exchange risk

Company's financial situation and cash flows from operating activities are not sensitive to fluctuations in exchange rates as its transactions are in euro.

9.2 Interest rate risk

The operation results and cash flows from operating activities of the Company are not sensitive to fluctuations in interests rates as well as the Company has no floating rate contracts.

9.3 Credit risk

The Company has no significant credit risk. Any remaining credit risk relates to cases of customers' failure to fulfill their transactional obligations.

The transactions of the Company's customers are developed after their credit rating and reliability check, to avoid late payment problems and therefore bad debts.

Potential credit risk may exists in cash and cash equivalents and investments. In these cases, the risk may arise from failure of the counterparty to meet its obligations to the Company.

To minimize this credit risk, the Company deals only with recognized financial institutions of high credit rating.

The Company's maximum exposure to credit risk is as follows:

Amounts are expressed in € '	31/12/2018	31/12/2017
Other non-current assets	17.629	-
Customers and other trade receivables	1.379.030	1.288.026
Advances to suppliers	1.693.543	1.318.563
Other current receivables	445.073	565.717
Cash and cash equivalents	456.477	721.503
Total	**3.991.751**	**3.893.810**

9.4 Liquidity risk

The prudent liquidity management is achieved by the existence of an appropriate combination of cash and bank credit.

The Company manages the risks which may arise from lack of sufficient liquidity, by ensuring that there are always secured bank credits to use.

The following table summarizes the maturity dates of the financial liabilities of the Company, which are presented in the balance sheet, at discounted prices, based on payments resulting from the relevant loan agreements or the agreements with the suppliers.

Financial liabilities as at 31/12/2018	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	1.780.442	-	-	**1.780.442**
Other short term liabilities	3.900.141	-	-	**3.900.141**
Loans	250.000	500.000	-	**750.000**
Total	**5.930.583**	**500.000**	**-**	**6.430.583**

Financial liabilities as at 31/12/2017	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	1.453.479	-	-	**1.453.479**
Other short term liabilities	509.276	-	-	**509.276**
Loans	2.461.012	1.368.062	-	**3.829.074**
Total	**4.423.767**	**1.368.062**	**-**	**5.791.829**

10. Events after the reporting period

No significant subsequent events occur after December 31, 2018 which should either be disclosed or differentiate the items of the published financial statements.

Marousi, 08/03/2019

The President.& Chief Executive Officer	The Member	The Accountant
Haralampos Karonis	Gerasimos Antypas	Dimitrios Kontoullis
ID AM 207833	ID X 188444	ID AB 597533
		A.M.A 100209
		A CLASS

The above Notes to the Financial Statements (pages 17–49) are those mentioned in the auditor's report dates at 08/03/2019.

Palaio Faliro, 08/03/2019
The Certified Auditor

MAZARS Certified Public Accountants
Business Advisors SA
14, Amfitheas Ave. -175 64 Palaio Faliro
ELTE Reg No: 17

Konstantinos Makris
ELTE Reg No.: 1483